

ATTACHMENT A to SPUN Committee September 27 Water Rate Memorandum
Seattle Public Utilities - Water Fund O&M Potential Reductions Summary
Received from SPU September 22, 2011

1st Tier Cuts - Manageable Impacts
2nd Tier Cuts - Greater Impacts
3rd Tier Cuts - Significant Impacts

	Item	Description	2012 WF Savings	2012 WF Cumulative	2012 All Funds Savings
0	City-driven cost reductions (e.g. COLAs, city central costs, healthcare)	<i>The difference between current CBO estimates and the amount assumed in rates. \$1M is proposed to be used to offset the additional expenses associated with Morse Lake.</i>	<i>(\$1,000,000) [does not count towards target]</i>		
1	City-driven cost reductions (e.g. COLAs, city central costs, healthcare)	Same description as above. This amount is what's beyond the \$1M used to offset Morse Lake.	(\$800,000)	(\$800,000)	
2	Professional Services items (lowest priority)	Reduce the use of outside professionals to assist with workforce efficiencies, scientific analytical work, and WMBE business outreach.	(\$160,118)	(\$960,118)	(\$377,916)
3	Vacancies (lowest priority)	Unfund two positions in field operations.	(\$140,319)	(\$1,100,437)	(\$146,985)
4	Watermain Condition Assessment BIP	Defer the budget add for this BIP by one year.	(\$50,000)	(\$1,150,437)	(\$50,000)
5	Professional Services items (second lowest priority)	Reduce the use of outside professionals to assist with Sustainable Building, Climate Change and Emergency Management.	(\$149,088)	(\$1,299,525)	(\$185,453)
6	Vacancies (second lowest priority)	Unfund three positions (Information Technology, Human Resources, Security & Emergency Management).	(\$159,419)	(\$1,458,944)	(\$302,271)
7	Professional Services items (third lowest priority)	Reduce the use of outside professionals to assist with Sustainable Building, Climate Change, water policy and planning, coordinated infrastructure, and the Habitat Conservation Plan.	(\$365,151)	(\$1,824,095)	(\$745,419)
8	Deferred Maintenance BIP	Defer the budget add for this BIP by one year.	(\$179,000)	(\$2,003,095)	(\$179,000)
TOTAL			(\$2,003,095)		